

## REMARKS

In response to the final Office Action dated August 20, 2009, Applicant files the following response and amendment, along with a one month extension of time and fee, and request for Telephonic Interview, now due December 20, 2009, to present compelling evidence that "disposal or clarification for appeal may be accomplished with only nominal further consideration" (MPEP § 713.09), in order to be entered after final when these amendments will clearly simplify issues, or put the case into condition for allowance, clearly and without additional search or more than nominal consideration.

Applicant, in order to clearly simplify issues, or put the case into condition for allowance, clearly and without additional search or more than nominal consideration, has canceled independent claim 43 and amended independent claim 1 to add remove rejected/objection to terms and to address the 101 Bilski rejection by adding recitation of a machine to the remaining method claim 1, to clarify that that the method include where a financial institution that provides advertisements for a merchant who provides applications for product or service accounts for said financial card institution. Thus claims 1, 14, 15 and 20 are now pending in this application to further prosecution and/or to reduce issues for appeal. The present claims are fully supported by the present application and do not include new matter, e.g., as fully supported at pages 6-7 and generally at pages 2-13, of the present application.

**35 USC 101 Statutory Matter Rejection.** The Examiner rejects the following claims under 35 USC section 101 as follows:

2. Claims 1, 14, 15, 20, 43 and 48-50 are rejected under 35 U.S.C. 101 because the claimed invention is not directed to statutory subject matter. Based on Supreme Court precedent, to be patent eligible under 35 U.S.C. 101 a method/process claim must (1) be tied to a particular machine or apparatus or (2) transform a particular article into a different state or thing (see at least Gottschalk v. Benson, 409 U.S. 70 (1972); Diamond v. Diehr, 450 U.S. 192 (1981); Parker v. Flook, 437 U.S. 589 n.9 (1978); and Cochrane v. Deener, 94 U.S. 780, 788 (1876)). Furthermore, the Supreme Court held that the use of a specific machine or transformation of an article must impose meaningful limits on the claim's scope to impart patentability (Benson, 409 U.S. 71-72). The involvement of the machine or transformation must not merely be insignificant extra-solution activity (Flook, 437 U.S. 590).

3. The instant claims fail to meet this test. The claims do not transform a particular article into a different state or thing. The claims are tied to a machine or apparatus, a

"computer readable medium" (claim 1 line 5), but this does not qualify as a specific machine and does not impose a meaningful limitation. Said medium is only used for input and output, which is not regarded as merely be insignificant extra-solution activity. This rejection also applies to claims 43 and 48-50, which, while drawn nominally to a "network", have no structure other than that provided by recitation of the corresponding process claim steps.

Applicant has amended the remaining claims 1, 14-15, and 20 to recite that the method steps and system involve a specific machine component as a meaningful limitation.

Applicant requests reconsideration and withdrawal of this rejection.

**Written Description/New Matter Rejection.** The Examiner makes a written description/new matter rejection under 35 USC 112, first paragraph:

5. Claims 1, 14, 15, 20, 43 and 48-50 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention.

A - In each independent claim 1 and 43 (e.g., claim 1 lines 6-7), a "financial card institution network" is new matter.

B - At the end of each independent claim, "wherein said merchant does not co-brand a financial card with said financial card institution or wherein said merchant does not issue or sponsor a private label credit card" is new matter.

Applicant points out that the term financial card network has been replaced with computer network and the remaining objected to terms are fully supported by the present specification and do not constitute new matter. As a non-limiting example, the present specification teaches:

#### SUMMARY OF THE INVENTION

Unlike the above example where Joe's Pizza Parlor receives money from the issuing entity (hereafter known as "the entity") for every end user that signs up for a credit card using a coded application from its application display, the method disclosed here teaches compensating a promoter such as Joe's Pizza Parlor by giving the promoter a mention, or other forms of advertisement in the communications that the entity sends to the end user. The mention/advertisements may be used in place of, or in addition to, financial remuneration from the entity to the promoter.

The method that is to be presented here has great flexibility, and may be applied in myriad ways. The method comprising applications and accounts may be used to promote any financial card that is used in a credit or debit/ATM capacity. Furthermore, the method may be used to promote anything, such as a service (such as bank account services, checking account services, Internet services, heating and air conditioning service contracts, drug discount program, etc.).

#### DETAILED DESCRIPTION OF THE INVENTION

The method entails where a promoter receives mentions/advertisements as a means of full or partial compensation from an offering entity for each new sign-up of end users generated by the promoter. The mentions/advertisements appear in communications that are provided by the offering entity either directly or indirectly (through a third party) to the end users. The mentions/advertisements of a given promoter appear in communications of the end users that were introduced or established through the efforts of the given promoter. . . .

pp. 5-6 of specification:

An example of mentions/advertisements is as follows:

"THESE GARDENING AND PLANTING REMINDERS ARE PROVIDED COURTESY OF BOB'S GARDEN SUPPLY, (000) 555-8888; AND GREENTURF INC, MAKERS OF WEED-NO-MORE AND GROW-GRASS-GROW."

Such a mention could be very valuable to a small company such as Bob's Garden Supply, which really needs all the customer loyalty aids that it can get, especially since it is trying to compete with giant entities such as Home Depot and Lowe's. The fact that the repeated impressions on numerous customer card transaction statements possibly won't cost Bob's Garden Supply anything should offer proper incentive to offer the card applications. Also, Greenturf gets direct-to-customer promotion for its products, and also gets the attention of Bob's Garden Supply, being that the Greenturf representative makes all of this possible. This could result in Greenturf having an advantage over the competition when it comes time for Bob's Garden Supply to order inventory stock. Having customers ask for Greenturf products by name, thanks to repeated direct-to-customer mentions/advertising, is certainly a helpful brand builder for Greenturf. Finally, the card entity should at least get Bob of Bob's Garden Supply, as well as some of Bob's employees, family and friends as new cardholders, because it is likely that Bob will enjoy seeing his company's name imprinted on a card transaction statement. Greenturf could promote its own co-branded card, or simply choose to avoid financial cards entirely and offer instead signup applications for home and garden related reminders, tips, or suggestions, or signup applications for advertising comprising coupons, special offers, catalogs, brochures and other

promotional literature, or signup applications for special programs, or information dissemination (such as newsletters comprising recipes for those great vegetables that Greenturf helped grow), with or without home and garden related reminders, tips, or suggestions.

Accordingly, the objected terms are clearly supported in the specification, are definite and do not include new matter.

Applicant requests reconsideration and withdrawal of this rejection.

**Indefiniteness Rejection under 35 USC 112, second paragraph.** The Examiner makes a written description/new matter rejection under 35 USC 112, second paragraph.

7. Claims 1, 14, 15, 20, 43 and 48-50 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. The distinction between "merchant", which is interpreted as a synonym for "promoter" in the spec., and "financial card institution network" or "financial card institution", which is interpreted as the specification's "product or service offering entity", is indefinite.

8. The claimed promoter and institution/network are interpreted to be distinguished by ownership. Ownership is inherently indefinite because it is itself not concrete (predictable) and precludes a result which is not concrete. The US Supreme Court has ruled that "A corporation is an artificial being, invisible, intangible and existing only in contemplation of law." CTS Corp. v. Dynamics Corp. of America, 481 U.S. 69, 89, 107 S. Ct. 1637, 1649-1650 (1987) (citing Trustees of Dartmouth College v. Woodward, 17 U.S. (4 Wheat) 518 (1819)). A business entity can be created, merged, dispersed or destroyed at human whim. Hence, in accordance with the State Street decision (MPEP 2106.II.A), ownership language cannot impart patentability.

9. At the end of each independent claim, "wherein said merchant does not co-brand a financial card with said financial card institution or wherein said merchant does not issue or sponsor a private label credit card" is indefinite. "Co-branding" and "private label" are ownership distinctions, which are inherently indefinite (para. 8 above).

Applicant points out that the distinction between merchant and financial card institution is not taught by the specification to be based on ownership, but is taught to be based on a financial card institution receiving computer monitored financial card applications distributed/promoted by product or service providing merchants in exchange for providing

advertisements to the merchants. Thus, these terms are not distinguished by ownership but by function and are therefore definite under 35 USC 112, second paragraph.

Accordingly, as presented above, the objected terms are clearly supported in the specification, are definite and do not include new matter.

Applicant requests reconsideration and withdrawal of this rejection based on the present claims.

**OBVIOUSNESS REJECTION.** The Examiner maintains an obviousness rejection as follows:

11. Claims 1, 14, 15, 20, 43 and 48-50 are rejected under 35 U.S.C. 103(a) as being unpatentable over Manchester et al (US 20030204470A1, hereafter "Manchester").
12. Manchester teaches (independent claims 1 and 43) a system and method, the method comprising:
  - (d. and e.) distributing credit card account applications containing (comprising) a merchant code (*merchant number*) to users, and processing completed/redeemed applications comprising said merchant *code/merchant number* (para. [0017] and [0018]);
    - f. establishing said accounts for said end users (*issues the credit card 16 to the applicant*) based on said processing of said redeemed account applications comprising said merchant code (para. [0017]); and
    - g. issuing communications to said end users of said accounts (*merchant promotional material*, para. [0012], and *provide marketing information*, para. [0024]) where said communications comprise said advertisements (*the merchant promotional material and marketing information*),
- where said communications/advertisements inherently reads on (a.) providing a computer readable file accessible by a financial card institution network comprising said advertisements for said merchant.
13. Manchester does not teach (b.) storing said file on a computer readable medium and (c.) providing a merchant code that cross references said merchant code to said file information on a computer readable medium. However, under *KSR v. Teleflex* (82 USPQ 2nd 1385), it would have been obvious to add these features to the teachings of Manchester because prior art elements are being combined according to known methods to yield predictable results. Manchester teaches every feature of the claims except storing said ad files on a computer readable medium cross-referenced to the merchant code. The cross-reference to the merchant code is obvious, and indeed necessary, in order to send the correct ad to the merchant's customers. Putting the ad on a computer readable medium was an obvious, and again virtually necessary step at the time of the instant invention, in order to print or display the ad with the customer statements.

14. The following claim language is non-functional descriptive material and was not given patentable weight (MPEP § 2106.01 and 706.03(a)(A)); "wherein said merchant does not co-brand a financial card with said financial card institution or wherein said merchant does not issue or sponsor a private label credit card".

First, "co-branded" and "private label" is not functional language first because it is printed matter, merely words or symbols on a card. Second, this language is not functional because it does not alter how the process steps are to be performed to achieve the utility of the invention. To be functional, process steps must be significantly tied to a particular machine or apparatus or (2) transform a particular article into a different state or thing (*In re Bilski*, No. 2007-1130, \_F.3d\_, 2008 WL4757). "co-branded" and "private label" does neither.

For claims 14 and 48, the ads are issued by the financial card institution so it is obvious that said institution would decide how long they should run. For claims 20 and 50, the ads promote the merchant, so it is obvious that said merchant would decide their content (information). The fees (claims 15 and 49) would be obvious when the financial card institution provided said file maintenance services to the merchant.

Applicant has canceled claims 43 and 48-50 solely to further prosecution and to include that the process steps are tied to alter the process (over a computer network) to achieve the utility of the invention.

Applicant respectfully submits that the Examiner has failed to establish a *prima facie* case of obviousness as Manchester paragraphs 12, 17, 18 and 24 FAIL to suggest all of the claim elements in claims 1 14-15 and 20.

The pending claims include a method where a computer based system tracks and functions to allow a financial card institution to provide advertisements for product or service providing merchants who provide applications for product or service accounts for said financial card institution.

Applicant submits that Manchester does not suggest or relate to the presently claimed invention. In contrast to the presently claimed invention, Manchester provides a dual credit card system where a merchant provides a customer application for a financial institution credit card and then the financial card institution provides both a credit card and where private label purchases can be made with the dual credit card system.

Manchester discloses at paragraphs [0012], [0017], [0018] and [0024]:

“[0012] Since the bankcard back office operation is processing both private-label purchases and bankcard purchases for the dual card user, cardholder statements may include merchant promotion material as well as normal operational customer service matters for both the merchant channel as well as the bankcard channel. The customer service functions may include normal customer service matters as well as collections and settlement issues.”

“[0017] FIG. 1 illustrates the flow diagram of a customer's acquisition of a dual credit card 10. A prospective credit card customer applies for the dual credit card 12 at a merchant issuing/sponsoring a private label credit card. The dual card will be a bankcard branded with the merchant's name and will appear like a bankcard such as (VISA.RTM., MasterCard.RTM., DISCOVER.RTM. or other "general purpose" credit cards). The applicant provides personal, credit and employment information to the dual credit card issuer. Based upon the information supplied, the financial institution issuing the bankcard assigns a credit limit and/or an interest rate 14 and issues the credit card 16 to the applicant. A key element is that the dual credit card issuer is a cooperating financial institution that is issuing the dual credit card as a bankcard for non-merchant sales and a private label credit card for in-merchant sales.”

“[0018] FIG. 2 illustrates the flow diagram of the consumer use of the dual credit card 20. The user goes to the private label merchant physical location, catalog or Internet site to purchase goods or services and uses the dual credit card for payment 22. The merchant uses an in-store reader to communicate the card number, the merchant number and the level of purchase to the private label processing operation 24. The merchant credit card system is able to determine from the BIN number, a part of the credit card account number, that the purchase using the dual credit card should be processed through the private label system rather than the VISA/MC network. If the system detects a non-merchant bankcard, the purchase will be processed through the VISA/MC network.”

“[0024] The advantages of such a dual credit card system for the private label merchant is that the customers have one card that can be used in two ways. One way as a private label credit card that provides the private label credit card merchant with a means to provide marketing information to his customers and to ensure that a portion of the credit line is protected for in store purchases. The second way is the use of a recognized brand name card with a potential for lower credit card interchange than a standard bankcard or charge card. The promotional capabilities of a dual credit card are useful to both the merchant and the consumer.”

In particular, one non-limiting example of the present invention provides where the promoter is Bob's Garden Supply, a retail garden supply store or chain. Bob's Garden Supply acts as a promoter for Greenturf, a lawn and garden products manufacturer, where Greenturf is also an

offering entity for a financial card co-branded with a financial credit card entity, as presented on pages 6-7 of the present application.

An example of mentions/advertisements is as follows:

"THESE GARDENING AND PLANTING REMINDERS ARE PROVIDED COURTESY OF BOB'S GARDEN SUPPLY, (000) 555-8888; AND GREENTURF INC., MAKERS OF WEED-NO-MORE AND GROW-GRASS-GROW."

Such a mention could be very valuable to a small company such as Bob's Garden Supply, which really needs all the customer loyalty aids that it can get, especially since it is trying to compete with giant entities such as Home Depot and Lowe's. The fact that the repeated impressions on numerous customer card transaction statements possibly won't cost Bob's Garden Supply anything should offer proper incentive to offer the card applications. Also, Greenturf gets direct-to-customer promotion for its products, and also gets the attention of Bob's Garden Supply, being that the Greenturf representative makes all of this possible. This could result in Greenturf having an advantage over the competition when it comes time for Bob's Garden Supply to order inventory stock. Having customers ask for Greenturf products by name, thanks to repeated direct-to-customer mentions/advertising, is certainly a helpful brand builder for Greenturf. Finally, the card entity should at least get Bob of Bob's Garden Supply, as well as some of Bob's employees, family and friends as new cardholders, because it is likely that Bob will enjoy seeing his company's name imprinted on a card transaction statement. Greenturf could promote its own co-branded card, or simply choose to avoid financial cards entirely and offer instead signup applications for home and garden related reminders, tips, or suggestions, or signup applications for advertising comprising coupons, special offers, catalogs, brochures and other promotional literature, or signup applications for special programs, or information dissemination (such as newsletters comprising recipes for those great vegetables that Greenturf helped grow), with or without home and garden related reminders, tips, or suggestions. Regardless, the applications would be coded to ensure that Bob's Garden Supply receives acknowledgement. There is a distinction that needs to be made at this time. A business such as Bob's Garden Supply is not like a franchisee whose parent company sends out advertisement flyers with the franchisee's name and contact information attached based on a mailing list. A business such as Bob's Garden Supply may have several (if not numerous) vendors, each competing with each other for Bob's business. This method, using coded applications for anything that uses, or can be adapted to use, an application process, is intended to act as a tool that enables the vendor that supplies this method for the benefit of Bob's Garden Supply an advantage over other vendors. [Underlined emphasis added]

The above example illustrates that the merchant, Bob's Garden Supply, is not the offering financial card institution, does not provide financial cards for purchase of products or services provided by the merchant, nor does Bob's Garden Supply co-brand a financial card.

In contrast,

Manchester (2003) citations:

"The dual credit card system is in two parts: a) the creation of a dual credit card and b) the usage of a dual credit card. The creation begins with the receipt of an application by the merchant for a dual credit card. The issuing organization determines the interest rate and the credit line and issues the dual credit card to applicant. This is a combined private label and bankcard product with one interest rate and one credit line. That credit line will have a portion which is available only at the merchant's location. The issuer will determine that single credit line and the interest rate." [page 1, p. 9]

"FIG. 1 illustrates the flow diagram of a customer's acquisition of a dual credit card 10. A prospective credit card customer applies for the dual credit card 12 at a merchant issuing/sponsoring a private label credit card. The dual card will be a bankcard branded with the merchant's name and will appear like a bankcard such as (VISA®, MasterCard®, DISCOVER® or other "general purpose" credit cards). The applicant provides personal, credit and employment information to the dual credit card issuer. Based upon the information supplied, the financial institution issuing the bankcard assigns a credit limit and/or an interest rate 14 and issues the credit card 16 to the applicant. A key element is that the dual credit card issuer is a cooperating financial institution that is issuing the dual credit card as a bankcard for non-merchant sales and a private label credit card for in-merchant sales." [page 2, p. 17]

"Since the bankcard back office operation is processing both private-label purchases and bankcard purchases for the dual card user, cardholder statements may include merchant promotion material as well as normal operational customer service matters for both the merchant channel as well as the bankcard channel. The customer service functions may include normal customer service matters as well as collections and settlement issues." [page 1, p. 12]

"The advantages of such a dual credit card system for the private label merchant is that the customers have one card that can be used in two ways. One way as a private label credit card that provides the private label credit card merchant with a means to provide marketing information to his customers and to ensure that a portion of the credit line is protected for in store purchases. The second way is the use of a recognized brand name card with a potential for lower credit card interchange than a standard bankcard or charge card. The promotional capabilities of a dual credit card are useful to both the merchant and the consumer." [page 2, p. 24]

Manchester at best teaches or suggests where merchant co-brands a financial card with the dual use credit card issued by the financial card institution or wherein said the financial card issues the dual use card that can be used as either a traditional "general purpose" bankcard, or as a private label merchant credit card solely for purchases with the merchant. However, the present claims require that the merchant does not co-brand a financial card with a financial card institution, or that the merchant does not issue or sponsor a private label credit card, which are required features of Manchester.

Accordingly, Manchester fails to teach or suggest the presently claimed method or financial card network.

Reconsideration and withdrawal of this rejection is requested.

Applicant respectfully requests entry of this amendment, and allowance of the present application.

Respectfully submitted,  
*/Ronald J. Rosenberger/*  
Ronald J. Rosenberger  
Applicant

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